

Notice is hereby given that an extraordinary meeting of the Gore District Council will be held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 19 November 2019, at 4.00pm.



**Stephen Parry**  
Chief Executive

15 November 2019

## Agenda

1. Elected member remuneration Pages 1-3
2. Business to be considered pursuant to the Local Government Official Information and Meetings Act 1987:
  - Consideration of tenders received for the upgrade of the civic administration building

## EXTRAORDINARY COUNCIL MEETING AGENDA

TUESDAY 19 NOVEMBER 2019

### 1. ELECTED MEMBER REMUNERATION

(Memo from HR-Administration Manager – 12.11.19)

#### **Background**

The Remuneration Authority is an independently appointed organisation that is charged with setting remuneration for, inter alia, elected members.

Over the past 2 years, the Remuneration Authority (the Authority) conducted a major review of the local government sector remuneration, which included extensive consultation. As a result of the review, the Authority made two changes to the way in which local government remuneration is set. First, it adopted a set of revised and updated council size indices (one each for territorial authorities, unitary authorities, and regional councils); and, secondly, it decided to introduce a more locally responsive way of setting members' remuneration. It should be noted that the remuneration of Mayors is not included in the second change.

#### ***First change - revised and updated Council size indices***

The first alteration, revised and updated council size indices, resulted in changes to Council rankings on their relevant index. The new sizes relate to the size of the governance role of each Council, based on a number of indicators. The size rankings are not related to the number of councillors on any Council and will not be affected if councillor numbers increase or decrease in future. As well as changes to the size indices, the Authority created a local government pay scale, generally using parliamentary remuneration as a comparator.

The Authority began introducing the changes to the index rankings in its 2018/19 determination. Following the 2019 local elections, the changes are now fully completed when the second part of the new approach has been applied. These changes involved a major reassessment of the existing rates paid to councillors. Implementation of the new approach over a period meant that, between 1 July 2018 and October 2019, changes to remuneration for elected local government members have varied to a considerable degree between Councils, rather than being an overall consistent percentage increase.

#### ***Second change - how the Authority sets councillor remuneration***

The second change was in the way that the Authority sets councillor remuneration.

Under the system used for the past several years, the Authority has set a base councillor rate for each Council. On top of that for each Council, a sum equivalent to the base pay of two councillors has been set aside to pay extra remuneration to those

undertaking positions of responsibility, such as a Deputy Mayor or the chairpersons of committees.

Under the new approach, the Authority has created a total “governance remuneration pool” for each Council, reflecting the ranking of a Council on the index. The size of each pool does not correspond to the number of councillors on each Council, which ranges from 6 to 16 (excluding Auckland). The governance pool is the total amount of money that the Authority has determined is available to pay councillor remuneration per annum. Now that the Council has taken office following the 2019 local election, it is invited to give the Authority recommendations for how its pool should be distributed amongst the Council members. The recommendations include a rate for base councillor remuneration and rates for all positions of responsibility, ie Committee Chairs. The Authority will then consider the Councils’ recommendations before determining the remuneration payable to members.

#### ***Mayors and Community Board members***

The second change to local government remuneration (ie the introduction of the governance remuneration pool) does not apply to the Mayor or community board members. Remuneration for the Mayor will continue to be set individually by the Authority and will reflect each Council’s ranking on the relevant size index.

There has been no change to the remuneration for Matura Community Board members.

#### **Proposed remuneration structure for the Gore District Council**

The total remuneration pool for the Gore District has been set by the Authority at \$286,429. The Mayoral salary is set at \$98,500 which is excluded from the total pool. A minimum base salary for a Councillor is set at \$18,477.

The entire pool must be distributed and be approved and gazetted by the Authority prior to it being implemented by the Council. It is intended that the Council’s information will be submitted to the Authority on 20 November which will enable it to include it in its next determination to be gazetted on 19 December 2019.

- ✦ A proposed schedule of remuneration is attached for the Council’s consideration.

#### **RECOMMENDATION**

**THAT the proposed remuneration structure for the Gore District Council be approved and submitted to the Remuneration Authority for final approval and gazetting.**

# Proposed Remuneration for Councillors

Use this worksheet to calculate the proposed remuneration for the positions with additional responsibilities using dollar amounts.

Local authority:

Number of elected members (excluding the mayor or regional chair):

Councillor remuneration pool (\$):

Councillor minimum remuneration (\$):

1) Enter proposed base remuneration for a councillor (\$):

2) Enter name/title of proposed position with additional responsibilities	3) Enter number of members per position	Proposed councillor base remuneration (\$)	4) Enter proposed additional remuneration (\$)	Proposed annual total remuneration per member (\$)	Total (\$)
Audit and Risk Committee Chair	1	23,000	7,000	30,000	30,000
Capital Works Committee Chair	1	23,000	7,000	30,000	30,000
Community and Strategy Committee Chair	1	23,000	7,000	30,000	30,000
Deputy Mayor	1	23,000	12,429	35,429	35,429
Councillor (with no additional responsibilities)	7	23,000	0	23,000	161,000
Councillor (with no additional responsibilities)	0	23,000	n/a	23,000	0

Grand total (\$):

Balance of pool (\$):

**EXCLUSION OF THE PUBLIC**

His Worship to move that the public be excluded from the following parts of the proceedings of this meeting, namely the items as listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing the resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987, for the passing of this resolution are as follows:

<b><u>General Subject Matter</u></b>	<b><u>Reason for passing this resolution in relation to each matter</u></b>	<b><u>Grounds under Section 48(1) for the passing of this resolution</u></b>
Consideration of tenders received for the civic administration building upgrade	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7 (2)(i)